

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SANAA 000223

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [EINV](#) [ECON](#) [PGOV](#) [SOCI](#) [YM](#) [ECON](#) [COM](#)

SUBJECT: SANAA'S HIP NEW CAFE BULLDOZED

1. (SBU) SUMMARY: On January 30, bulldozers ripped through the patio of Zorba's Cafe, an establishment that had rapidly become a popular hang-out for both locals and foreigners. Zorba's expatriate owners had high hopes that opening the first sidewalk cafe in Sanaa would allow them to recoup their investment and quickly turn a profit -- hopes that were dashed, they believe, by jealous competitors who paid off the municipality to destroy the cafe. Such underhanded practices, although usually more discrete than bulldozers, are often used by Yemeni businessmen to quash their competition -- another reason why Yemen has much progress to make in improving its investment climate. END SUMMARY

2. (SBU) Zorba's Cafe opened on January 18 under the proprietorship of two businessmen from Cyprus and Lebanon, serving coffee and light fare in a setting reminiscent of a typical European sidewalk cafe. The establishment quickly became popular among expatriates and some Sanaanis, particularly because Zorba's was the first of its kind in Sanaa, a city where locals tend to eat and drink quickly in restaurants, and reserve socializing for afternoon sessions of qat chewing at peoples' homes.

3. (SBU) During the night of January 18 - 19, municipality representatives reportedly approached the home of a sheikh who owns the land the cafe was built on, looking for a bribe, but were sent away by the sheikh's armed guards. Municipal bulldozers then arrived at the cafe during the early morning of January 30 and, encountering no armed resistance, destroyed the cafe's patio, effectively putting the establishment out of business.

4. (SBU) Asked why their business had been shut down, the owners told poloff that they had queried municipality officials "all day" on the 30th, but had received nothing more in the way of an explanation than, "We are so sorry that this happened." They said they were taking the matter up with the police, but did not expect a satisfactory investigation. The cafe owners speculated that "jealous competitors" who were "not happy with a place where you could get good, clean food in Sanaa" paid off municipality officials to bulldoze the cafe. They said that social conservatives -- some of whom had come to the cafe days earlier armed with kalashnikovs demanding that an Ethiopian waitress cover her hair -- probably did not have enough clout to pressure the city administration into destroying the cafe.

5. (SBU) COMMENT: Businessmen conspiring with government officials to squeeze out their competition is not a new story in Sanaa, but the use of bulldozers is normally reserved for the last stages of land disputes. More often, unexplained tax bills and previously unknown licenses are the tools of preference for putting pressure on a restaurant or store owner. Whatever the methods, the distaste of Sanaani businessmen for competition and the willingness of corrupt officials to conspire with them demonstrate that Yemen still has much progress to make in order to improve an uninviting investment climate.

Khoury